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KEY POLICY RATES UNCHANGED

After its 3-day deliberations, RBI's Monetary Policy Committee kept repo rate unchanged at 4%

RBI Guv Shaktikanta Das said the decision was taken while "ensuring inflation remains within target"

Monetary policy stance remains 'accommodative' to revive growth and mitigate Covid impact

LTV RATIO FOR GOLD LOANS RAISED TO 90%

Maximum loan-to-value of loans against gold jewellery for non-agri purposes raised from 75% to 90%

It will be available till March 2021. The move will help households, entrepreneurs and small businesses

Earlier guidelines said loans against gold pledge should not exceed 75% of the value of gold

DOWNSIDE RISKS FOR ECONOMY

Covid-19 poses 'downside risk' for economy. RBI will use available monetary space to boost growth

Early containment of the pandemic could impart an 'upside' to the economic growth outlook, says RBI

According to RBI, the economy is facing unprecedented stress in an austere global environment

HEADLINE INFLATION TO REMAIN HIGH

Headline inflation is expected to remain elevated during the second quarter and may subside thereafter

Supply chain disruptions on account of Covid-19 persist, with implications for both food and non-food prices

RBI, however, did not give any range on inflation expectations

RBI pauses to take a hard look, offers balm for Covid wounds

Decides against rate cuts due to low credit demand; One-time restructuring scheme for corporate, retail borrowers; EMI moratorium unlikely to be extended

SUNITHA NATTI

IF banks and borrowers needed strength to bear the financial sorrows, RBI gave it all.

On Thursday, Governor Shaktikanta Das rolled out a one-time loan restructuring scheme, but only for obedient customers paying corporate loans, home, auto or other personal loans on time.

If you have opted for the six-month EMI holiday but missed one instalment as on March 1, you will still be eligible for the proposed loan recast. But two missed EMIs prior to March 1, makes you unqualified.

What do you get? A two-year moratorium and an extension of loan tenure as a bonus. The K V Kamath-led committee is working out the fine print.

Das also dropped the biggest hint that the ongoing moratorium ending this month may not be extended. In all, the scheme brings cheer for cash-strapped borrowers, while for capital-starved banks it leads to lower bad loans.

The RBI kept repo and reverse repo rates intact. Nobody was expecting a cut as headline inflation in June was above the central bank's 4% mandate. This saw the return of negative real interest rates after a 6-year gap.

Repo is now anchored at 4% and an additional reduction will take real rates deeper into the negative zone, which RBI doesn't want. So, it deployed an alternative policy lever, reverse repo rate, which was slashed by 155 bps since February. This is now the unofficial policy tool, but even that failed to nudge banks to lend.

Clearly, rate cuts appear futile at this juncture, so RBI opted for a do-nothing phase in this cycle. Though both rates are at historic lows, credit growth is stuck at a six-decade-low of about 6% implying that credit demand won't be influenced by any amount of cheap money. Aggregate demand is central to credit growth, which in turn is a precondition for economic recovery. Both have a bearing on inflation and growth, but RBI seems clueless about the next one-year.

Will national output shrink by 5-10-15%? Preferring to keep the estimate private, Das reiterated that FY21 GDP will decidedly be negative.

Food inflation will likely remain sky-high due to supply chain disruptions till next month, but will be back to its best behaviour later this fiscal. RBI may tame headline inflation, but food prices are impermeable to monetary policy actions. So all our bets are down to monsoon, rabi harvest and global crude prices.

As long as prices remain high and growth uncertainties persist, rate cuts will remain on the table and as Das said, will be used 'judiciously'. P12

LIFELINE FOR HOUSING FINANCE FIRMS, MSMEs

- NABARD and National Housing Board will get ₹5,000 crore liquidity each to support housing finance companies, small NBFCs and MFIs
- Extension of restructuring scheme for MSMEs first announced on January 1 will now be implemented till March 2021

Kodagu bears rain brunt, 5 missing in landslide

EXPRESS NEWS SERVICE
@ Bengaluru/Madikeri

BRINGING back nightmarish memories of the devastating floods of July-August 2019, several parts of the state are again being battered by heavy rains, causing floods and triggering landslides. This time too, Kodagu is the worst hit with five persons, including a temple priest and his family members, going missing after a massive landslide swept them and their properties away, while a senior citizen died while crossing a river in Hassan district.

As rains continued over the last few days, many rivers are flowing above the danger levels, forcing people to move to safer places.

Rescue personnel at Bramhagiri Hills in Kodagu district where five people went missing after a landslide on Thursday | EXPRESS

Responding to the situation, which is turning grimmer by the day, Chief Minister B S Yediyurappa, who is currently undergoing treatment in a private hospital after testing positive for Covid-19, directed ministers to visit rain-hit areas and supervise relief efforts. He has also assured of providing required financial assistance for those affected.

Revenue Minister R Ashoka and Home Minister Basavaraj Bommai reviewed the situation with senior officers.

In Kodagu, five people, including the chief priest of Talacauvery temple, Narayana Achar (70), his wife Shantha (70), brother Ananda Theertha Swami (87) and two assistants — Ravi Kiran (26) and Srinivas (30) — are missing after a massive landslide, originating at Brahmagiri Hills in Talacauvery, swept away two houses. Achar's neighbour had shifted out of Bhagamandala earlier, fearing a landslide. P5

NEW J&K L-G SINHA TO FILL 'POLITICAL VACUUM'

EXPRESS NEWS SERVICE @ New Delhi

FORMER Union minister and senior BJP leader Manoj Sinha's appointment as the new Jammu and Kashmir Lieutenant Governor on Thursday took many by surprise. However, sources say Sinha was handpicked for the job by Prime Minister Narendra Modi to fill the prevailing "political vacuum" in the Union Territory.

His appointment is seen as an attempt to win Kashmiri people's hearts. Sources said that the PM and the top leadership believe that Sinha, with his political as well as administrative experience, will be able to convey the government's programmes in a better manner to the Kashmiris.

He reached Srinagar on Thurday and will take charge on Friday after a low-key oath-taking ceremony.

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MURMU REPLACES MEHRISHI AS CAG

New Delhi: A day after resigning as the Lieutenant Governor of Jammu & Kashmir, former bureaucrat Girish Chandra Murmu was on Thursday appointed as Comptroller and Auditor General of India (CAG), taking over from Rajiv Mehrishi, who is retiring this week. "The President has been pleased to appoint Shri Girish Chandra Murmu to be the Comptroller and Auditor General of India with effect from the date he assumes charge of his office," a finance ministry notification said.

Department of
Health and Family Welfare

Shri B. S. Yediyurappa
Hon'ble Chief Minister

FOR KIND INFORMATION TO THE PUBLIC

During the current COVID-19 pandemic, unfortunately some of the COVID-19 positive persons are succumbing to the disease. To ensure safe and dignified handling of the dead body, the following guidelines shall be observed.

Hon'ble Minister for Health & Family Welfare
Shri B. Sriramulu visiting COVID-19 Government Hospital

The dignity of the dead and the cultural & religious traditions of the families shall be respected and protected throughout

- The hospitals shall handover the dead body in a clean, transparent (head-end), leak-proof, zipper body-bag to the family members / relatives in the mortuary. If the family members are not able to do the last rites, the district authorities shall arrange for the last rites
- Personal precautions shall be followed by family, relatives and those handling the dead body
- Viewing of the dead body by unzipping the face end of the body bag (by the staff using standard precautions) shall be allowed for the family members/ relatives in the mortuary, hearse van and the crematorium/burial ground
- There shall not be any delay for any reason in handing over of the dead body. Hospital should not wait for COVID test results to handover the dead body
- Instructions are given to the drivers of hearse vans to handle the dead body in a dignified manner without causing distress to the family and relatives
- In suspected or confirmed COVID-19 deaths, either burial or cremation of the dead body can be done depending on socio-cultural and religious traditions of the family
- Advice family persons to take the dead body directly to the crematorium/ burial ground
- If the family is unable to cremate/bury the dead due to any reasons, then the local health / civic authorities shall arrange for dignified cremation / burial as per the religious traditions of the family
- Bathing, kissing, hugging, etc. of the dead body should not be allowed
- Rituals such as reading from religious scripts, sprinkling holy water and any other last rites that does not require touching of the body shall be allowed without opening the body bag.
- Those placing the dead body in the grave or on the funeral pyre should wear PPE Kit. Once the burial/cremation is complete, after removal of PPE, they shall wash hands with soap and water
- The ash does not pose any risk and can be collected to perform the last rites
- Number of persons during funeral/ last rites related gatherings should not exceed 20 persons
- For Medical Certification of Cause of Death (MCCD), it is not mandatory to mention that person died of COVID-19 unless it was the actual cause of death
- In deaths due to any other causes where COVID-19 is not confirmed or suspected, COVID-19 should not be mentioned either in cause of death or death certificate for any reasons

Do not stigmatise the deceased or their family. Let us ensure dignity for the deceased.

#KarnatakaFightsCorona

Health For All, Health Everywhere